

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 2564 - HB 2764

February 12, 2012

SUMMARY OF BILL: Requires the court, in construction contract disputes where an owner or prime contractor withholds retainage funds, to order restitution be made to the owner of the retained funds. Requires the party responsible for depositing retainage funds to establish an escrow account upon receipt of the funds. Requires the depositing party to provide written notice to the prime contractor that the party has complied with statutory requirements and include in the notice the name of the financial institution with whom the escrow account has been established, the account number, and the amount of funds deposited.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- According to the Department of Commerce and Insurance, and the Board for Licensing Contractors (Board), this bill will not affect existing programs and policies. Therefore, the impact to state government is not significant.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. The Tennessee Board for Licensing Contractors had closing balances of \$2,074,844 in FY10-11 and \$1,581,060 in FY09-10.
- This bill will not impact the caseloads of state trial or appellate courts.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

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